

This record is a partial extract of the original cable. The full text of the original cable is not available.

051640Z Nov 04

UNCLAS THE HAGUE 002872

SIPDIS

SENSITIVE

STATE FOR S/GAC/PEARSON AND EUR/UBI/HOLLIDAY
HHS FOR OGHA/STEIGER
STATE PASS USAID FOR GH/MILLER

E.O. 12958: N/A

TAGS: [KHIV](#) [PREL](#) [TBIO](#) [NL](#)

SUBJECT: DEMARCHE REQUEST: U.S. GOALS FOR GLOBAL FUND BOARD
MEETING IN ARUSHA, TANZANIA

REF: SECSTATE 232461

1. Sensitive but unclassified. Please protect accordingly.

2. Econoff delivered reftel talking points to Stuart Flavell, Director of the Global Network of Positive People Living with HIV/AIDS and Dr. Marijke Wijnroks, Health Advisor in the Ministry of Foreign Affairs.

3. Flavell flatly opposes postponing round five. The Global Fund is demand driven, he said, and that demand is measured by annually soliciting grant proposals. To postpone a round would be to violate a commitment central to the Fund. The Fund's future effectiveness depends on its commitment to its founding principals (among them annual rounds) and current and future principal recipients (PRs) being able to anticipate yearly rounds with confidence.

4. Econoff used talking points on the lack of grant reporting and documentation as well as statistics from paragraph eight to highlight management problems at the secretariat. Flavell conceded that the secretariat has management problems, and said that PR performance was also an issue he took seriously. However, he countered that there were processes and procedures for managing poorly performing PRs. If PRs are not meeting their reporting obligations they should not receive their next drawdown. If fund managers are not abiding by these processes, then that should be addressed, rather than postponing round five. To points on secretariat overwork Flavell responded he thought the

SIPDIS

secretariat could cope with a round launched in the second

SIPDIS

half of 2005. Financing, he thought, would not be a problem.

5. On the issue of phase two renewal decisions, he said he would support the MEFA proposal, but explained that the crush of renewal reviews consistently overwhelms his small delegation.

6. GONL Health Advisor Marijka Wijnroks believes that it is politically important to launch round five in 2005, unless a very strong case against it can be made. In her eyes, that case would hinge on the Fund's financial and budgetary criteria. Wijnroks agreed that the fund's first priority should be supporting phase two renewals. It would be hard to justify launching a new round at the expense of projects already underway. She conceded the possibility of a funding shortfall was real and if that were the case, she "wouldn't want to hurry" launching a fifth round of grants.

7. To talking points on the lack of adequate documentation and reporting of grant progress, Wijnroks responded that she had not heard it was an issue. She had heard some complaints of overwork at the secretariat, but was not aware it could be causing management problems. Processes are in place to incent PRs to make regularly scheduled reports. Ironically, PRs have complained to her that the Fund's required quarterly reporting was burdensome for them.

8. Wijnroks said she understood the reasoning behind the proposed process for phase two renewals. She and her constituency have agreed to support it, and she believed it would be adopted.

9. Comment: Though both stated they were firmly in favor of a round five next year, Wijnroks was receptive to financing shortfalls as a cause for postponing it. Both Flavell and Wijnroks seemed interested in the more egregious instances of lackadaisical grant management. Wijnroks said she knew little more about management problems than what was on the Fund's website. It has not come up in her meetings with the Fund's managers. If there is strong evidence of poor management then it should be presented. Flavell responded

that he wanted portfolio managers to enforce built in incentives for PRs to achieve results and report them. Flavell told econoff he suspected there were political reasons (he cited perceptions the Global Fund is not sufficiently engaging faith-based PRs) for the "lack of USG commitment to the Fund." He said he wanted a clear (monetary) commitment from "the administration" that it was solidly behind the Global Fund. End Comment.
SOBEL